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Coupons from Deal Sites as Gifts: Impact of Gender, of Age, and of Personality Traits

ANTONIN PAVLICEK & FRANTISEK SUDZINA

Abstract There already exist studies on what influences use of deal sites. But there is a gap in literature when it comes to purchasing coupons from deal sites and then using them as gifts. The paper analyzes whether gender, age and personality traits influence such behavior. Big Five Inventory traits and narcissism were used. The impact of age was significant. Significance of agreeableness and of narcissism were somewhat above cutoff value 0.05, therefore borderline significant. All of them have positive effect.

Keywords: • Deal Sites • Gifts • Personality Traits • Empirical Research •

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1 Introduction

Deal sites, also referred to as Group Buying Websites, are a well established trend in on-line commerce to get a better price by volume discount. Original idea behind a deal site is to group consumers together forcing the merchants to offer wholesale prices to these groups. Merchants sell products and services at significantly reduced prices, usually 40% off or more, on the condition that a minimum number of buyers would make the purchase. When the minimum number of orders is reached, the deal becomes activated and all the customers that signed up for the deal become eligible to purchase. If the minimum number of orders is not reached within agreed time period, usually 1 - 7 days, then the deal is cancelled.

Group buying promotions can generate a large number of sales in a short period of time thanks to the viral nature of this promotion, often promoted on social networking sites. Merchant's sales can be boosted by the order of hundreds to thousands of orders in a single day/week.

Because deal sites take up to 40 % of the price, the merchant is only making slight margin, sometimes even sustaining short-term loss for the following reasons (Drossos et al., 2015):

Cash flow boost

Payments for vouchers are processed within short period after the deal is closed so the merchant receives a quick boost in cash flow.

Effective advertising

Daily deals promoted by group buying websites are fairly inexpensive and they are much more effective at generating real sales rather than just increasing brand awareness.

New customers

Deal sites are able to attract new clients by offering large discounts that get the first-time customer in the door, although retention of such price sensitive clients can be problem. Groupon is possibly the most well-known deal site. From a business model perspective, it can be classified as affinity club (Johnson, 2010), round-up buyers (like Linder and Cantrell's (2000) buying club), and trade show (like Timmers' (1998) third-party marketplace) in the framework compiled by Taran et al. (2016). In spite of Groupon being the so well-known, group-buying is not the main, nor the mandatory feature of deal sites.

1.1 Deal sites in the Czech Republic

Deal sites have been present in the Czech Republic since 2009. They gained general popularity in 2010 with the advent of the company Slevomat.cz, the leader of the Czech market, whose name became synonym with group shopping in the Czech Republic. By 2015, the Czech market was reaching an annual growth of 50%, however in the past two years, the market has achieved its growth limits, global market turnover has stabilized and there has been dramatic reduction of the number of firms. In the market, there currently operates 45 active deal sites, top 5 of which control 90% of the market share, leader (slevomat.cz) dominates with 40 %. In August 2011, when the number of companies reached was the highest, there were 204 registered servers (4 times more than today). Czech market cleared and since 2015, there has been a period of consolidation in positions and brands.

Slevomat.cz - in 2015 had a turnover of more than CZK 1.2 billion, which is almost a billion more than the rest; deal sites Pepa.cz, Vykupto.cz, Nakupvakci.cz, Hyperslevy.cz have revenues ranging up to around CZK 300 million. Additional figures are provided in Table 1.

Table 1: Top Czech deal sites, data from companies' annual reports

	Revenue 2012 (mil CZK)	Revenue 2015 (mil CZK)	Employees 2017	Page visits daily 2017
Slevomat.cz	758	1.200	160	200.000
Vykupto.cz	320	300	35	33.000
Zapakatel.cz	260		Bankruptcy 6/2014	
Hyperslevy.cz	159	300	40	30.000
Pepa.cz	138	300	43	66.000
Nakupvakci.cz	102		Bankruptcy 12/2016	
Slevoteka.cz	60	105	10	130.000

During the consolidation of the market, there were couple of merges of smaller companies, as well as bankruptcies of a relatively large players (Kouzelnýdeda.cz, Zapakatel.cz, Nakupvakci.cz).

Discount coupons are still the fourth most common product sold on the Czech e-commerce, the most popular commodities are: Food, Fashion, Things to Do, Health and Fitness (Weight Loss), Travel, Skin Care, Massage, Beauty, Wellness, Education (language courses).

Slevomat.cz is the clear leader among Czech deal sites. It offers the widest range of experiential services such as adrenalin and cultural events, gastronomy and weekend stays. Slevomat stopped selling fashion goods, they focus on services with higher value, especially with the advent of shopping via mobile phone. The portal also provides assurance (in the event of a problem customer gets the money back) to its customers, since in the competitive market, it is crucial to guarantee satisfaction.

1.2 Literature review

To the best of authors' knowledge impact of personality traits on gift giving specifically linked to deal sites has not been investigated yet. The literature search has brought only couple of journal articles and a few conference papers investigating gift giving in general.

Personality trait can be defined as habitual patterns of behavior, thought, and emotion (Kassin, 2003). Traits are relatively stable over time, differ across individuals (e.g. some people are shy, whereas others outgoing), and influence behavior. Traits are in contrast to states which are more transitory dispositions. Agreeableness is a personality trait manifesting itself mainly in such behavioral characteristics that are generally perceived as kind, cooperative, sympathetic, warm and/or considerate. Narcissism could be defined as the pursuit of gratification from vanity or egotistic admiration.

There is a published study of relational signaling over recipient preferences in their gift choices (Ward and Broniarczyk, 2016), which point out, that givers balance their goal to please recipients with gifts that match recipient references against their own goal to signal relational closeness with gifts that demonstrate their knowledge of the recipient. Close givers' divergence from the gift-registry is not the result of their altruistic search for a "better" gift but is a strategic effort to express relational signals: it occurs only when givers will receive attribution for their choice.

Same authors in 2013 also point out, that gift giving creates giver identity threat as a function of social closeness (Ward and Broniarczyk, 2013). They established, that gift giving, in which individuals may make product choices that run counter to their own identities in order to fulfil the desires of the intended recipient. Purchasing an identity-contrary gift for a close (vs. distant) friend who is an integral part of the self can itself cause an identity threat to the giver, who subsequently engage in behaviors that reestablish his identity such as indicating greater identity affiliation with the threatened identity and greater likelihood to purchase identity-expressive products.

The role of narcissism, self-esteem and gift giving was discussed by (Hyun et al., 2016) in their exploratory study that identifies romantic gift-giving motivations and examined these motivations in relations to the two personality constructs. A factor analysis found three motivations for romantic gift giving: intrinsic, maintenance, and power motivation. When self-esteem, age, and sex were controlled, narcissism was positively related to maintenance motivation in the past, and maintenance and power motivation in the future.

Self-esteem was negatively related to power motivation in the past and maintenance motivation in the future, controlling for narcissism, age, and sex.

An exploration of influences on attitudes to giving and receiving gifts (Perryer and Tsahuridu, 2013) reports the results of a study that examined the influence of organisational level and education on attitudes towards giving and receiving gifts in exchange for preferential treatment in three cultural groups. Analysis of the data using hierarchical regression revealed that after controlling for age, gender, cultural background, business sector and years of service, respondents' organizational level and education positively influence attitudes to accepting gifts, while only education influences attitudes to giving gifts.

Contributions to gift-giving theory from an identity-stripping context (Klein et al., 2015) measured by the Identity-Based Motivation (IBM) model to examine gift giving within the identity-stripping context of Nazi concentration camps, as reported in the memoirs of Holocaust survivors is a bit extreme example of gift-giving oriented scientific paper. By exploring gift giving in this crisis-laden context, authors demonstrate the fundamental role gifts can play in re-establishing personal and social identities and provide insights into the motivations for giving that go beyond the existing paradigms that emphasize social exchange, economic exchange, or agapic giving.

The role of adolescents' gift giving in managing their impressions among their peers (Segev et al., 2012) examines adolescents' gift giving using a qualitative methodology, based on impression management theory. Gift-giving motives and the characteristics of the chosen gifts indicated that adolescents use gift giving instrumentally to manage and protect their impressions among their peers. The research provides evidence regarding different types of gifts such as joint, neutral, and twofold gifts.

While research on self-gift consumer behavior has shown evidence of the importance of this behavior in Western cultures, there is no understanding of self-gift giving in collectivist cultures. Tynan et al. (2010). used personal interviews to establish the existence of self-gifting in China, and further to compare motivations for and the emotions associated with it. Their findings indicate that self-gifting is less self-oriented for the Chinese than for the British.

Gittell and Tebaldi (2006) found that charitable giving by households in the United States is significant. They estimate, that private giving represents more than 2 % of total gross domestic product and is a significant factor in funding the nonprofit sector. Their research adds detailed data and analysis supporting and supplementing research that identifies personal income, capital gains, religious group affiliation, age, volunteerism, and educational attainment as the main factors affecting household giving.

The aim of our paper, based on the identified gap in the literature, is to analyze impact of gender, age, and personality traits on purchasing coupons from deal sites as gifts. The

rest of the paper is organized in the following way: In the next section, there is a description what data were collected and how, and how they were analyzed. In the following section, results of the analysis are presented. The last section offers conclusions.

2 Data and Methodology

The data was collected in December 2016 to January 2017 using an on-line questionnaire. Respondents were 264 university students from the Czech Republic, of which 140 respondents indicated that they use deal sites, and 124 do not. The analysis of use versus non-use of deal sites from this data set was published in (Sudzina and Pavlíček, 2017).

SurveyXact was used for the questionnaire. Unlike Qualtrics, it does not allow to show/hide questions based on answers to questions on the same page. Therefore, the questionnaire was split into two pages and questions for deal sites users appeared on the second page. Seven respondents stopped after the first page and one respondent provided random high numbers as answers for multiple open-ended questions, hence this row was excluded from the analysis. So, the effective sample size is 132 (43 men, 89 women; on average 20 years old).

On the second page of the on-line questionnaire, there was a question regarding the number of coupons purchased on deal sites as gifts. The distribution of the answer is provided in Figure 1. Since the distribution of the number of gifts is right-skewed, ordinal logistic regression is used for the analysis. SPSS software was used for the analysis.

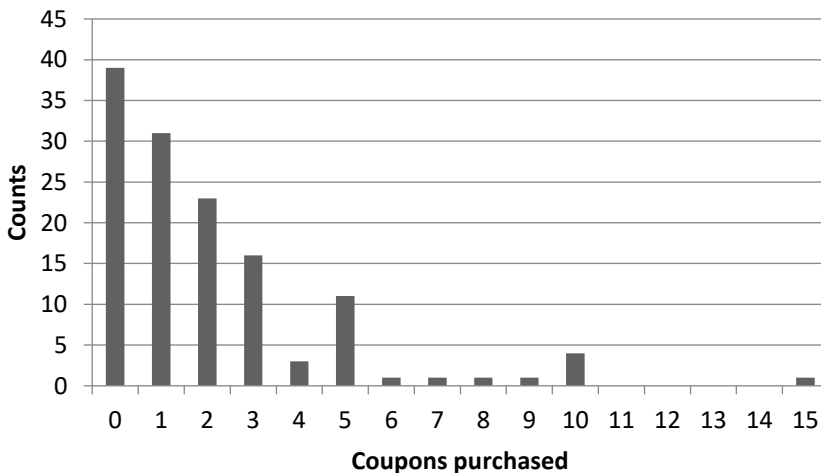


Figure 1: Distribution of the number of coupons purchased on deal sites as gifts

Personality traits were measured using Rammstedt and John's (2007) Big Five Inventory-10, i.e. a shortened 10-item version of the Big Five Inventory questionnaire developed by John and Srivastava (1999), and translated to Czech by Hřebíčková et al. (2016). The instruction was to rate "How well do the following statements describe your personality" with statements "I see myself as someone who..."

... is reserved,
 ... is generally trusting,
 ... tends to be lazy,
 ... is relaxed, handles stress well,
 ... has few artistic interests,
 ... is outgoing, sociable,
 ... tends to find fault with others,
 ... does a thorough job,
 ... gets nervous easily,
 ... has an active imagination,

on a 1-5 Likert scale where 1 meant strongly disagree and 5 stood for strongly agree. Extraversion was calculated as an average of the 1st (reversed-scored) and the 6th answer, agreeableness as an average of the 2nd and the 7th (reversed-scored) answer, conscientiousness as an average of the 3rd (reversed-scored) and the 8th answer, neuroticism as an average of the 4th (reversed-scored) and the 9th answer, and openness to experience as an average of the 5th (reversed-scored) and the 10th answer.

The researchers are aware of the new version of Big Five Inventory - Big Five Inventory-2 with 60 items (Soto and John, in press a), and of 30-item short and 15-item extra short versions (Soto and John, in press b) but there is no validated translation available yet.

Narcissism was measured right after Big Five Inventory-10 using the same instruction, with the statement

... is of narcissistic nature (note: narcissistic means egotistical, self-focused, vain)

The statement was adapted from The Single Item Narcissism Scale (SINS) developed and validated by Konrath, Meier and Bushman (2014). They recommend SINS for online studies.

The questions related trust issues have been summarized in an article Trust, innovation, prosperity (Szabo et al., 2013).

The questionnaire contained additional questions which were not used in the analysis presented in this paper.

3 Results

The research question is whether gender, age, extraversion, agreeableness, conscientiousness, neuroticism, openness to experience, and narcissism influence how many coupon does a user of deal sites buys as gifts. Since the distribution of the number of gifts is right-skewed, ordinal logistic regression is used for the analysis. Ordinal logistic regression results for the full model are provided in Table 2. Cox and Snell R² is 0.122, Nagelkerke R² is 0.126, McFadden R² is 0.35 and p-value is 0.028.

Table 2: Ordinal logistic regression

	Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
[gift = 0]	4.004	1.841	4.731	1	.030	.396	7.613
[gift = 1]	5.075	1.858	7.459	1	.006	1.433	8.717
[gift = 2]	5.910	1.874	9.946	1	.002	2.237	9.584
[gift = 3]	6.678	1.891	12.476	1	.000	2.973	10.384
[gift = 4]	6.864	1.895	13.118	1	.000	3.149	10.578
[gift = 5]	7.830	1.925	16.542	1	.000	4.057	11.603
[gift = 6]	7.966	1.931	17.024	1	.000	4.182	11.750
[gift = 7]	8.122	1.938	17.570	1	.000	4.324	11.919
[gift = 8]	8.304	1.947	18.197	1	.000	4.489	12.119
[gift = 9]	8.506	1.958	18.872	1	.000	4.668	12.344
[gift = 10]	10.149	2.165	21.971	1	.000	5.906	14.393
Age	.315	.097	10.414	1	.001	.124	.506
Extraversion	-.022	.186	.014	1	.904	-.387	.342
Agreeableness	.414	.231	3.207	1	.073	-.039	.868
Conscientiousness	.181	.203	.799	1	.371	-.216	.579
Neuroticism	.181	.168	1.155	1	.282	-.149	.510
Openness to experience	.095	.187	.261	1	.609	-.271	.461
Narcissism	.333	.171	3.769	1	.052	-.003	.669
[gender=male]	-.299	.386	.601	1	.438	-1.056	.457

The impact of age was significant. Impact of agreeableness and of narcissism were borderline significant. All of them have positive effect – older, agreeable and narcissist people are more likely to use coupons as a gift.

4 Conclusion

Purchasing coupons from deal sites and then using them as gifts is significantly influenced by age (impact of agreeableness and of narcissism is borderline significant).

Age could be mediated through several variables, e.g. somewhat older people lived longer, so they gave gifts for a longer period; somewhat older may have a better income; somewhat older people may have a better overview what is available on deal sites that their friends could enjoy.

In light of the literature mentioned previously, our research is filling the gap in understanding, how the coupons are used in gift-giving mode and which personal traits can be traced to such behavior.

As for implications for marketers, there would be problematic recommendation: either to focus coupon campaigns on older clientele with narcissistic inclinations, or controversy focus on the customers, who are empathetic and altruistic.

Rammstedt and John (2007) mentioned that the two-item measure of agreeableness does not have as good properties as measures of the remaining four of Big Five Inventory traits. Therefore, in the future research, it may be worth to add a third item, namely "...is considerate and kind to almost everyone." It could possibly improve significance of agreeableness.

Now that there is an indication of impact of narcissism on purchasing coupons as gifts, it is justifiable in future research to use more items to measure narcissism, such as Narcissistic Personality Inventory (Raskin and Terry, 1988) which is probably the most widely used measure of the narcissism and contains 40 forced-choice items. If a longer instrument is to be chosen, such as Five-Factor Narcissism Inventory (Glover et al., 2012), which contains 148 items, it may be advisable to select only certain factors.

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